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CIA-RDP90T00435R000100040006-2

| TRANSMITTAL SLIP | DATE |
|---|---|
| | 29 Apr 88 |

TO:
Dave

| ROOM NO. | BUILDING |
|---|---|
| | |

REMARKS:

This is something I've been woolgathering about. Will talk to you sometime soon.

FROM:
Fritz

| ROOM NO. | BUILDING | EXTENSION |
|---|---|---|
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FORM NO. 1 FEB 56 241 REPLACES FORM 36-8 WHICH MAY BE USED. (47

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O/C/N/C

# MEGATRENDS 2000

1. US international behavior will tend toward retrenchment, isolationism, and unilateralism because of a) a sense of declining relative power at the governmental level, b) popular doubts about the utility of international involvement, and c) increasing Congressional constraints on the President's foreign policy powers. The US role as international protector/guarantor will, hence, diminish. Many countries will be made nervous by this, but few major ones will feel directly threatened.

2. The Soviet Bloc and the USSR will be in continuing political turmoil as a result of an unsuccessful effort by communist elites to reconcile system preservation, some degree of popular legitimacy, and modernization. Meanwhile, Moscow will pursue "aggressive detente" with skill and energy in all directions. This will lead to an image of a sharply reduced Soviet threat to the West. The underlying sources of threat (military power, avaricious elites, illegitimate politics) will remain, however, and will reassert themselves perhaps with little warning, most likely through a counterreform in Moscow.

3. NATO will survive. The US will maintain substantial military forces in Europe, but will have a somewhat diminished political leadership role. There will be more European unity and defense cooperation at lower total levels of effort. Lowered threat perceptions and intra-European detente will prevail but be tested by political unrest in East Europe.

4. Military capabilities to generate politically significant violence will proliferate among lesser states and non-governmental groups, particularly in the form of high-tech weapons and military skills. The effective power gaps between the superpowers and lesser countries will seem to diminish, at least as regards plausible military actions. The large forces and strike capabilities which have been the superpower hallmark will retain a symbolic or psychological relevance in world affairs, but actual use of force by superpowers or major countries will have to rely on small scale actions involving highly proficient weapons and units. Governments willing to use "elite" weapons and forces swiftly and ruthlessly will enjoy influence out of proportion with their national resources.

5. Interdependence and interinvolvement ("internationalization") of advanced economies will increase, becoming more complex and confusing. National political and business elites will lose and be perceived to lose control over the economic conditions of their countries.

6. India and South America will "take off" economically along the lines of capitalist East Asia; Africa, the Middle East and most of Muslim world, and Central America, by contrast, will stagnate economically.



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7. Democracy -- defined as the rule of law, limits on state powers, and orderly replacement of governments with popular participation -- will continue to spread slowly but steadily in all regions; this will not correlate directly, however, with internal and international stability.

8. Narcotics traffic will destabilize more producing societies because consuming societies will resist harsh measures to suppress demand. In West Europe and the US drug abuse will be a severe law-enforcement problem and a social scandal, but not a threat to social stability.

9. US-Canada free trade will be a spur to innovation and growth in both countries, a major factor in restoring North American competitiveness, but also a continuing source of cultural friction even as the two societies tend to merge. Ethnic and political tensions centered on US southern borders will sharpen.



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